GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:7279
ANSWERED ON:12.05.2000
PERFORMANCE OF PUBLIC SECTOR UNDERTAKINGS
ABDUL HAMID;RAGHUNANDAN LAL BHATIA;SULTAN SALAHUDDIN OWAISI

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government have drawn a plan to redefine the role of 48 public sector undertakings through joint ventures and financial restructuring;

(b) if so, the details of the plan;

(c) whether 32 out of 48 PSUs have incurred losses during 1998-99;

(d) if so, the reasons therefor;

(e) whether the Government are also considering to sell non-viable PSUs; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(DR. VALLABH BHAI KATHIRIA)

(a) & (b): Government formulates plans for restructuring of PSUs havingregard to the internal economies of the Company and/or the recommendations given by the BIFR.So far, schemes of restructuring have been sanctioned by the BIFR in respect of 12 PSUs and are in progress. In regard to 5 other PSUs, Government have taken up restructuring programmes on their own.Government also decided to convert 24 PSUs into Joint Ventures in order to improve their operations.

(c) to (d): Yes, Sir. The losses are on account of non-competitive working, lack of orders, financial constraints, surplus workforce, outdated technology and, in some cases, inherited problems.

(e) to (f): Government have adopted various strategies appropriate to the circumstances of the case in respect of the non-viable PSUs, taking intoaccount recommendations of the BIFR.These include winding up and disposal of assets where no other alternative is possible.